

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THELMA WASTE CONTROL,)
INC.)

CASE NO.
91-057

ALLEGED VIOLATION OF KRS CHAPTER 278)

SHOW CAUSE ORDER

Thelma Waste Control, Inc. is a non-profit Kentucky corporation organized pursuant to KRS Chapter 273. Thelma Waste Control, Inc. owns and operates two sewage treatment systems, one in the Thelma All-Electric Subdivision and one in the Jim Hughes Estates Subdivision, both located in Johnson County. The corporation is composed of members, rather than shareholders, and membership is restricted to property owners who are customers of the sewage disposal systems. Robert Bayes and Gary Brothers are the incorporators of Thelma Waste Control, Inc. and are directors of the corporation.

The two sewage treatment systems owned by Thelma Waste Control, Inc. were previously owned and operated by Thelma Activities, Inc. That corporation was administratively dissolved by the Secretary of State in 1985. In March of 1990, as a result of an action filed in Franklin Circuit Court by the Kentucky Natural Resources and Environmental Protection Cabinet against

Thelma Activities, Inc. and its owner Robert Trimble,¹ the plants in the Thelma All-Electric and Jim Hughes subdivisions were ordered transferred to Thelma Waste Control, Inc. Since that time, Commission Staff and representatives of Thelma Waste Control, Inc. have communicated regarding the issue of whether the non-profit corporation is subject to Commission jurisdiction. To date, however, Thelma Waste Control, Inc. has failed to file documentation with the Commission evidencing that it is outside the statutory definition of a utility contained in KRS 278.010(1)(f). In addition, it has failed to file a tariff with the Commission showing all rates and conditions for service established by it and collected or enforced.

KRS 278.280 authorizes the Commission to prescribe rules for the performance of any service furnished or supplied by a utility. 807 KAR 5:071, Section 7, requires sewage treatment facilities to be constructed, installed, maintained, and operated in accordance with good engineering practice. On July 31, 1990, Commission Staff conducted an inspection of Thelma Waste Control, Inc.'s sewage treatment plants for compliance with the above regulation. Staff subsequently submitted to the Commission a Utility Inspection Report, attached hereto as Exhibit A and incorporated herein by reference, which reported multiple instances of plant maintenance and operation which were not in conformity with accepted good engineering practice. The report noted that the systems were in complete disrepair and that all deficiencies

¹ Civil Action 89-CI-0282.

listed were repeat violations that had been noted in the inspection reports of 1988 and 1989.

A reinspection of Thelma Waste Control, Inc.'s facilities was conducted by Commission Staff on January 24, 1991 to determine if the deficiencies reported in August 1990 had been corrected. That reinspection report, attached hereto as Exhibit B and incorporated herein by reference, reveals that none of the deficiencies reported in August of 1990 have been corrected.

The Commission finds from Exhibits A and B that a prima facie showing has been made that Thelma Waste Control, Inc. has violated 807 KAR 5:071, Section 7, by failing to maintain and operate its sewage treatment facilities in accordance with accepted good engineering practice.

The Commission further finds that a prima facie showing has been made that Thelma Waste Control, Inc. has violated KRS 278.160 by failing to file with the Commission schedules showing all rates and conditions for service established by it and collected or enforced.

IT IS THEREFORE ORDERED that Thelma Waste Control, Inc. shall appear at a hearing scheduled for March 28, 1991 at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, and be prepared to show cause why Thelma Waste Control, Inc. should not be penalized pursuant to KRS 278.990 for failing to comply with 807 KAR 5:071, Section 7.

IT IS FURTHER ORDERED that Thelma Waste Control, Inc. shall submit the following within 20 days of the date of this Order:

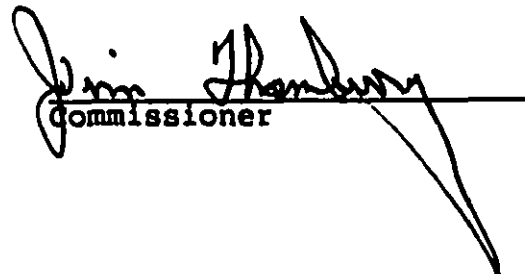
1. A written response to all allegations contained herein.
2. Tariff sheets showing all rates and conditions for service established by it and collected or enforced.
3. A copy of the by-laws of Thelma Waste Control, Inc.

Done at Frankfort, Kentucky, this 22nd day of February, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

Commonwealth of Kentucky
Public Service Commission

UTILITY INSPECTION REPORT

Thelma Activities, Inc.
Johnson County, Kentucky

Utility operations, utility maintenance, utility management and their impact on utility services and operating costs are a primary concern of the Commission and this Division. Our ongoing inspection program is to determine if the utility is in compliance with Kentucky Revised Statutes (KRS Chapter 278), Public Service Commission (PSC) Regulations (807 KAR) and that adequate, efficient and reasonable service is being provided.

Daily maintenance, daily operations and good operating records are essential in the operation of an efficient utility. Our inspections are intended to determine if the utility is in compliance with PSC regulations in these areas.

On July 31, 1990, Thelma Activities, Inc. sewage treatment system was inspected for compliance with KRS Chapter 278 and PSC regulations (807 KAR). This utility consists of 2 wastewater treatment plants and 2 collection systems. This system is located in Johnson County and has approximately 26 customers. No representative of the utility was present during the inspection of the plant.

The improvements or corrections necessary to bring this facility into compliance with KRS Chapter 278 and PSC regulations (807 KAR) are as follows:

Thelma All Electric Subdivision (2 Plants)
Deficiencies Common to Both Plants

1. The plant area needs a general cleanup (e.g., grass cut, weeds removed, all empty chlorine cylinders removed from plant area) and all sludge contained in plant area needs to be properly disposed of. (807 KAR 5:071, Section 7, 1)
2. The rapid sand filter is septic. The sludge needs to be removed from the filter, and new media needs to be placed. All pumps need to be made operational and the rapid sand filter placed in service. ((807 KAR 5:071, Section 7, 1)
3. The stream between the plant and the apartments is full of sludge. This stream needs to be cleaned of all sludge. (807 KAR 5:071, Section 7, 1)
4. The bar screen needs to be repaired or replaced. (807 KAR 5:071, Section 7, 1)
5. The fence around the plant area needs to be repaired. (807 KAR 5:071, Section 7, 1)
6. The chlorination unit needs to be repaired and put in service. (807 KAR 5:071, Section 7, 1)
7. The plant is currently being operated without a comminutor. As long as the plant can be operated satisfactorily and produce an acceptable effluent the Commission may not require the use of a comminutor. However, the utility must monitor plant operations and immediately install a functioning comminutor should conditions warrant. (807 KAR 5:071, Section 7, 1)

Large Plant

1. The diffusers need to be inspected and repaired or replaced as necessary. (807 KAR 5:071, Section 7, 1)
2. The one existing motor and blower unit is not operational. This motor and blower unit needs to be repaired and put in service. (807 KAR 5:071, Section 7, 1)

3. A backup blower and motor unit or immediate access to one is needed in case of an emergency. (807 KAR 5:071, Section 7, 1)
4. The clarifier needs to be cleaned out. (807 KAR 5:071, Section 7, 1)
5. The aeration basin needs to be cleaned out. (807 KAR 5:071, Section 7, 1)
6. The skimmers need to be made operational. (807 KAR 5:071, Section 7, 1)
7. The sludge return needs to be made operational. (807 KAR 5:071, Section 7, 1)

Small Plant

1. The diffusers need to be inspected and repaired or replaced as necessary. (807 KAR 5:071, Section 7, 1)
2. A backup blower and motor unit or immediate access to one is needed in case of an emergency. (807 KAR 5:071, Section 7, 1)
3. The one existing motor and blower unit is not operational. This motor and blower unit needs to be repaired and put in service. (807 KAR 5:071, Section 7, 1)
4. The aeration basin needs to be cleaned out. (807 KAR 5:071, Section 7, 1)
5. The clarifier needs to be cleaned out. (807 KAR 5:071, Section 7, 1)
6. The skimmers need to be made operational. (807 KAR 5:071, Section 7, 1)
7. The sludge return needs to be made operational. (807 KAR 5:071, Section 7, 1)
8. The air leak in the lines that operate the skimmers needs to be repaired. (807 KAR 5:071, Section 7, 1)

Jim Hughes Estates

1. The diffusers need to be inspected and repaired or replaced as necessary. (807 KAR 5:071, Section 7, 1)
2. A backup blower and motor unit or immediate access to one is needed in case of an emergency. (807 KAR 5:071, Section 7, 1)
3. The clarifier needs to be cleaned out. (807 KAR 5:071, Section 7, 1)
4. The one existing blower and motor unit that services the plant is out of service. This item needs to be repaired or replaced and put in service. (807 KAR 5:071, Section 7, 1)
5. The chlorination unit needs to be repaired and put in service. (807 KAR 5:071, Section 7, 1)
6. The chlorine contact basin needs to be cleaned of sludge. (807 KAR 5:071, Section 7, 1)
7. The aeration tank needs to be cleaned out. (807 KAR 5:071, Section 7, 1)
8. The pump station at the plant needs to be cleaned out. (807 KAR 5:071, Section 7, 1)
9. The pump in the lift station at the plant needs to be repaired and placed in service. (807 KAR 5:071, Section 7, 1)
10. The sand filter needs to be cleaned of all sludge and weeds. (807 KAR 5:071, Section 7, 1)
11. The sand in the filter needs to be removed and new sand replaced. (807 KAR 5:071, Section 7, 1)

The Thelma All Electric Subdivision and Jim Hughes Estates Subdivision sewage treatment plants are not operating. These systems are in complete disrepair (see attachments A & B).


All items listed above are repeat violations. These violations were noted in the inspection report of August 23, 1988

and September 11, 1989. The Commission staff feels that an appropriate amount of time has been allowed to correct these deficiencies. We are concerned about the utility's failure to make all corrections necessary to bring the facility into compliance with KRS 278 and PSC regulations (807 Chapter KAR). The failure to correct any violations may be considered cause for enforcement proceedings to be initiated. If such action becomes necessary, penalties may be imposed against the utility pursuant to KRS 278.990.

Recommendations

The repair or correction of the deficiencies listed above is necessary in order to restore this facility to an acceptable operating condition. The pertinent section of the Kentucky Administrative Regulations has been listed by each deficiency for your convenience. A written response should be prepared and forwarded to the Commission by September 6, 1990, outlining a correction schedule stating what has been completed or what will be done to correct each deficiency and the related cost of each correction. A starting date and a completion date should be given for corrections that are to be completed after the date this response is mailed.

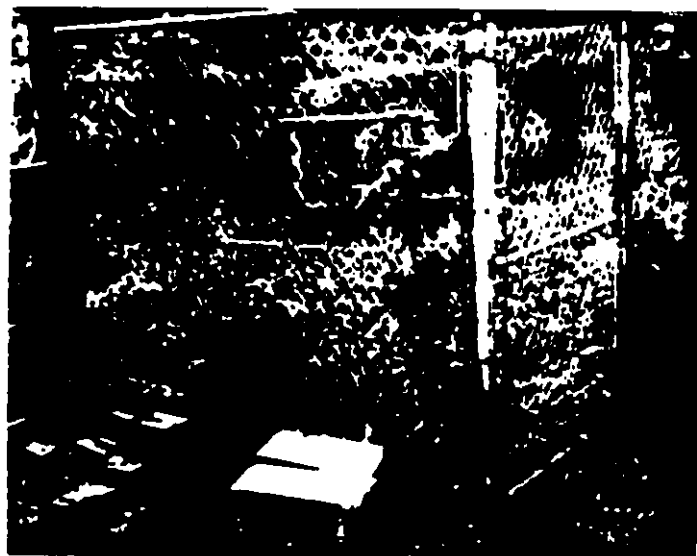
Submitted,
August 6, 1990


Larry N. Updike
Utility Investigator

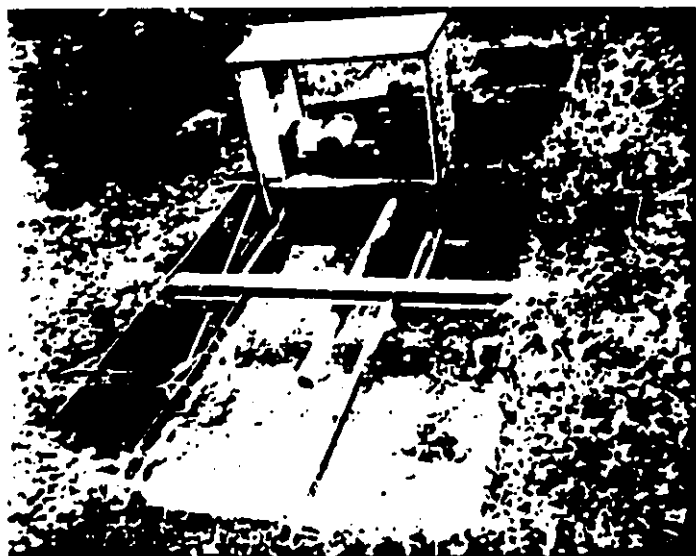
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7/31/90
THELMA ACTIVITIES, INC.
JIM HUGHS ESTATES S.T.P.
PLANT SITE



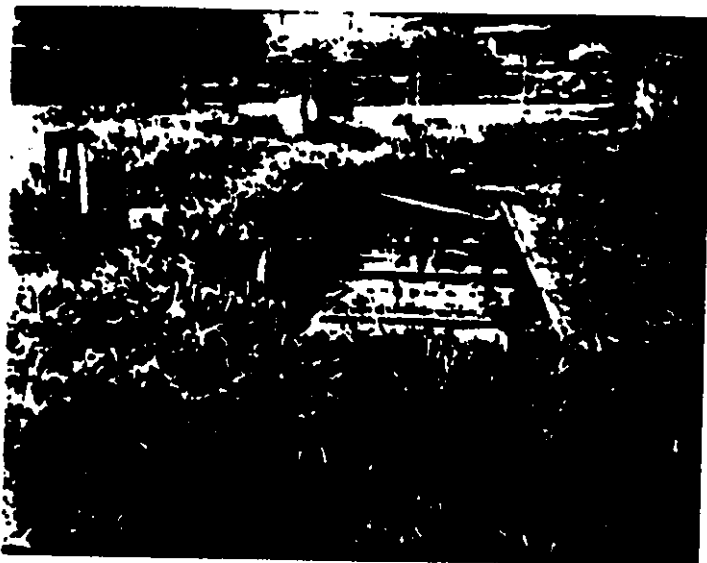
7/31/90
THELMA ACTIVITIES, INC.
JIM HUGHS ESTATES S.T.P.
PLANT SITE



7/31/90
THELMA ACTIVITIES, INC.
JIM HUGHS ESTATES S.T.P.
AERATION TANK.



7/31/90
THELMA ACTIVITIES, INC.
JIM HUGHS ESTATES S.T.P.
SAND FILTER



7/31/90
THELMA ACTIVITIES, INC.
THELMA ALL ELECTRIC SUBDIVISION
LARGE PLANT



7/31/90
THELMA ACTIVITIES, INC.
THELMA ALL ELECTRIC SUBDIVISION
SMALL PLANT

Commonwealth of Kentucky
Public Service Commission

UTILITY REINSPECTION REPORT

Thelma Waste Control, Inc.
Thelma, Kentucky

On January 24, 1991, a reinspection of Thelma Waste Control, Inc.'s two wastewater treatment systems was conducted. The purpose of this reinspection was to see what progress, if any, had been made to date on the improvements or corrections recommended in the Public Service Commission's staff inspection report dated August 6, 1990. The proposed improvements and corrections and their current status are as follows:

Thelma All Electric Subdivision (2 Plants)
Deficiencies Common to Both Plants

1. The plant area needs a general cleanup (e.g., grass cut, weeds removed, all empty chlorine cylinders removed from plant area) and all sludge contained in plant area needs to be properly disposed of. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

2. The rapid sand filter is septic. The sludge needs to be removed from the filter, and new media needs to be placed. All pumps need to be made operational and the rapid sand filter placed in service. ((807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

3. The stream between the plant and the apartments is full of sludge. This stream needs to be cleaned of all sludge. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

4. The bar screen needs to be repaired or replaced. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

5. The fence around the plant area needs to be repaired. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

6. The chlorination unit needs to be repaired and put in service. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

7. The plant is currently being operated without a comminutor. As long as the plant can be operated satisfactorily and produce an acceptable effluent the Commission may not require the use of a comminutor. However, the utility must monitor plant operations and immediately install a functioning comminutor should conditions warrant. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

Large Plant

1. The diffusers need to be inspected and repaired or replaced as necessary. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

2. The one existing motor and blower unit is not operational. This motor and blower unit needs to be repaired and put in service. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

3. A backup blower and motor unit or immediate access to one is needed in case of an emergency. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

4. The clarifier needs to be cleaned out. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

5. The aeration basin needs to be cleaned out. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

6. The skimmers need to be made operational. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

7. The sludge return needs to be made operational. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

Small Plant

1. The diffusers need to be inspected and repaired or replaced as necessary. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

2. A backup blower and motor unit or immediate access to one is needed in case of an emergency. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

3. The one existing motor and blower unit is not operational. This motor and blower unit needs to be repaired and put in service. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

4. The aeration basin needs to be cleaned out. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

5. The clarifier needs to be cleaned out. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

6. The skimmers need to be made operational. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

7. The sludge return needs to be made operational. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

8. The air leak in the lines that operate the skimmers needs to be repaired. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

Jim Hughes Estates

1. The diffusers need to be inspected and repaired or replaced as necessary. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

2. A backup blower and motor unit or immediate access to one is needed in case of an emergency. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

3. The clarifier needs to be cleaned out. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

4. The one existing blower and motor unit that services the plant is out of service. This item needs to be repaired or replaced and put in service. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

5. The chlorination unit needs to be repaired and put in service. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

6. The chlorine contact basin needs to be cleaned of sludge. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

7. The aeration tank needs to be cleaned out.
(807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

8. The pump station at the plant needs to be cleaned out. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

9. The pump in the lift station at the plant needs to be repaired and placed in service.
(807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

10. The sand filter needs to be cleaned of all sludge and weeds. (807 KAR 5:071, Section 7, 1)

Current Status: Still needs to be corrected

11. The sand in the filter needs to be removed and new sand replaced. (807 KAR 5:071, Section 7, 1)


Current Status: Still needs to be corrected

The Thelma All Electric Subdivision and Jim Hughes Estates Subdivision sewage treatment plants are not operating. These systems are in complete disrepair.

All items listed above are repeat violations. These violations were noted in the inspection report of August 23, 1988, September 11, 1989, and August 6, 1990.

The existing conditions at the treatment plants still violate the Public Service Commission regulations 807 KAR 5:071, Section 7,1.

Submitted,
January 29, 1991


Larry N. Updike
Utility Investigator

EB